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MEMORANDUM FOR: [redacted] Legislation Division
Office of Congressional Affairs

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FROM: [redacted]
Director of Personnel

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SUBJECT: Comments on Proposed Draft Legislation on Personnel Security

1. The Office of Personnel, though concerned with the processing of applicants to the Agency, defers to the Office of Security and the Office of General Counsel on this matter. The Office of Security determines the types of information it needs to make judgments on granting security clearances. The General Counsel should determine the legality of how the Agency accesses the information.

2. My only substantive comment on the draft legislation is that there is no specification that Agency requests for direct on-line access for criminal history record information will be for applicants and personnel security only. I'm not sure Congress would enact legislation that gives the Agency the authority to access on-line criminal history information on the general population.

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<div>OP</div> <div></div>	<div>OIT</div> <div></div>	<div>OF</div> <div></div>	
<div>OTE</div> <div></div>	<div>OC</div> <div>DIRECTORATE OF ADMINISTRATION Reactions and Recommendations to the HRMCTF Proposal 30 September 1987</div>		<div>OL</div> <div></div>
<div>OMS</div> <div></div>	<div>OS</div> <div></div>	<div>O/DDA</div> <div></div>	

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INTRODUCTION

In November 1986, a Task Force was formed consisting of senior representatives from each Directorate and the DCI area. This effort was chaired by a senior DDA officer.

Under the general guidance of the Executive Director of the Agency this Task Force set out to construct and design a Proposal for establishing an improved compensation and benefit system for this Agency and its people. The genesis of this effort began in the summer of 1986 when the-then DCI informed our oversight colleagues on the Hill of his intentions to develop a CIA pay and benefit system which served the needs and requirements of this unique Organization.

Among the features that this effort intended to develop included, but were not limited to;

- A pay and classification system that better relates pay to performance;
- A competitive total compensation package that allows employees more choice than met their personal needs;
- A career development policy that expands the concept of dual career tracks for substantive managers and;
- A comprehensive review of the appeal, automation, and training required to implement and support the proposed new system.

After eight months of intensive deliberations, the use of recognized consultants in this field, and substantial intra-Agency coordinations and soundings, the Task Force produced a preliminary proposal and system design which were circulated to Agency managers and employees in July 1987.

Under the guidance of the DDCI, every employee was to have an opportunity to comment on the proposal and submit comments and recommendations on any portion of the proposal as each saw fit. This action has now been completed. Since July, the undersigned have been involved in assuring that the substance of this proposal has reached every level of the Directorate of Administration. Using the Deputy Directors as focal points within each office, we have encouraged and supported the communication of this Proposal to one and all. After two more months of auditorium informational briefs, and individual/group discussions on the Proposal, the data are before us. What follows is a compilation of employee and Office management opinions, comments and recommendations. We have synthesized these data and have endeavored to present for your consideration what we believe is a fair and objective assessment of our findings and perceptions.

The next step in the overall process is to have each Directorate by 30 September report its findings including reactions and recommendations on how to proceed to the Task Force. The following document provides a basis for the DDA submission to this next phase of the review process.

THE COMMUNICATIONS PROCESS TO EMPLOYEES IN THE DDA

1. Before the various DDA offices could begin to gauge their employees' feelings toward the Human Resources Management and Compensation Task Force Proposal, they had to first inform the DA work force. The Offices provided Proposal details and information to DA employees by several means in order to obtain feedback.

2. Initial dissemination of the Proposal was accomplished through the following means:

- Distribution of [] copies of the abbreviated 16-page version to Directorate personnel; STAT
- Distribution of [] copies of the System Design to Directorate personnel; STAT
- Work sessions with the Deputy Directors serving as focal point coordinators for each office;
- Auditorium presentations by the Chairman of the Task Force and DDA Rep directed to individual office populations and allowing unlimited time for questions and answers.
- WWSB was sent to inform domestic/overseas locations describing the Proposal and soliciting comments and recommendations.

3. In addition to the initial dissemination efforts, many DA office Managers and Supervisors held group and/or individual meetings with their employees to explain the process within the Proposal. They de-emphasized the "predetermined" perception people tended to make about this new initiative and invited them to give their sincere reaction to the Proposal on or off the record, confidentially or openly. Feedback to the Task Force Reps from each Deputy Director was required.

4. Each office also used a survey to ascertain the population's reaction and comments to each feature of the Proposal. In 8 of 9 offices, response to the survey was not mandatory although some offices closely monitored response to the Survey. Attribution of the survey response was at the employee's option. In this manner we hoped to assure that everyone had the opportunity to not only rate every feature of the proposal, i.e. favor, strongly favor, against, strongly against, etc., but also to suggest enhancements or modifications or even to reject the entire proposal without any substitution, all without attribution if they so chose.

5. Employees were encouraged by their management to attend one of the three HRMCTF explanation sessions held in the auditorium during August. The purpose was for the employee to gain a feeling for the content of the Proposal and how it could affect their professional lives in the Agency. These sessions were designed to be "straight talk" sessions with ample time for questions and answers. (As you will note in the survey comments, these sessions were considered "promotional" by many of the attendees even though there was a conscious effort to present the facts clearly and objectively.)

6. Throughout this communications process which lasted approximately 60 days, meetings were held within most offices and at the Directorate level to monitor the progress and to assure that questions were being given timely responses. Toward the end of August each component began aggregating its survey data and compiling a synopsis of both employee and office management opinions and recommendations. On 9 September each Deputy Director presented his office's position verbally and in hardcopy to the Directorate representatives. Two three-hour sessions were held to complete this process. Notwithstanding these efforts, many employees chose not to respond to the survey for whatever reason. Of Directorate employees to whom a survey was sent responses were received. In some offices the percentage of responses was good, others were fair, and some poor. On balance, approximately 37 percent of the personnel surveyed responded. These responses represented 31 percent of the entire Directorate of Administration personnel.

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SURVEYING TECHNIQUESCOMMUNICATION OF PROPOSAL

The following three communication techniques were used by DA Office Management to ensure the distribution of surveys to DA employees.

- A. Survey form with limited or no personal contact with employee.
(3 Offices - OIT, ODDA, OL)

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- B. Survey form with personal contact with employee. (2 Offices - OMS/OF)

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- C. Survey form with employee contact and follow-up/follow through.
(4 Offices - OP/OC/OTE/OS)

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•	•	
	•	

NOTE: Six offices employed an all-employee type survey. Three offices used selective sampling survey techniques. One office tried a mandatory approach for responses while the remaining eight offices used an "optional" response technique.

RESPONSES

The DA Offices surveyed employees and received

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responses (37%). This translates into 31% of all DA employees.

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SUMMARY OF SOME OF THE (BEST) FEATURES(AS REPORTED BY OFFICE MANAGEMENT)FEATURESOFFICES

	OP	OTE	OMS	OIT	OC	OS	OF	OL	O/DDA
1. Occupational Banding			•	•					
2. Incentive Pay	•		•	•					
3. Performance Plan									
4. Performance Evaluation									•
5. Occupational Career Handbooks	•		•						
6. Individual Career Development									
7. Occupational-Specific Training									
8. Improved Availability of Training	•					•		•	•
9. Dual Track	•	•	•		•				•
10. Promotion	•								•
11. Flexible Benefits	•	•	•				•		•
12. Leave Conversion	•				•	•		•	
13. Educational Assistance					•				
14. Staffing Management Tools									
15. System Controls									
16. Projection Tools									

SUMMARY OF LEAST ATTRACTIVE FEATURES(AS REPORTED BY OFFICE MANAGEMENT)FEATURESOFFICES

	OP	OTE	OMS	OIT	OC	OS	OF	OL	O/DDA
1. Occupational Banding	•	•				•	•	•	
2. Incentive Pay		•			•				
3. Performance Plan			•		•				
4. Performance Evaluation				•					•
5. Occupational Career Handbooks									
6. Individual Career Development									
7. Occupational-Specific Training									
8. Improved Availability of Training			•	•					
9. Dual Track									
10. Promotion									
11. Flexible Benefits									
12. Leave Conversion									
13. Educational Assistance	•								
14. Staffing Management Tools	•								
15. System Controls						•		•	
16. Projection Tools									

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PERSPECTIVE AND RECOMMENDATIONS

Perspective

There is a great deal of activity and change in the air these days for our people in the Agency:

- a new Director of Central Intelligence,
- an investigative atmosphere in the Agency,
- retirement decisions being reconsidered for participation in the Civil Service Retirement System vs. FERS,
- decisions on making THRIFT plan contributions, or not,
- disturbing medical insurance premium increases,
- new buildings in Hqs to move into over the next months, and now,
- the very unusual Compensation and Benefits Proposal...

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This time of change is requiring an unusual amount of decision-making on issues outside of the sphere of our employees' normal day-to-day work. Right now, there is probably a need for some stability and settlement in the Agency. Presenting a Compensation and Benefits Proposal (Proposal) such as

ours with the implications for affecting professional lives and livelihood, represents a significant added pressure with which they must deal.

The Proposal asks a lot of our people; but it will also give a lot. It asks them for a period of serious consideration, eventually their acceptance, their willingness to "educate" themselves, their adjustment from old ways to new, their patience as implementation unfolds, and requires them to manage and be managed in very different ways. Under the Proposal we will now pay for performance, allow a benefits choice, consider one's career more than before, and focus on overall emoluments for careerists of this Organization.

We are finding strong support in the Directorate for those Proposals which enhance the well-being of our people:

- ° flexible benefits, by far a front runner,
- ° leave conversion which allows tangible recognition for the high degree of dedication found in our employees,
- ° the dual track system, considered innovative and long overdue.

We are finding some support in the Directorate for:

- ° occupational banding, with caveats concerning the reliability of market-pricing which will compare our occupations with "equivalents" (if there are such things) in the private sector marketplace,

- incentive pay, with serious concerns as to the fair and equitable handling of this by supervisors and managers,
- promotions,
- occupational-specific training,
- educational assistance.

We have found only limited support for:

- individual career plans since most employees feel that their careers are largely their own responsibilities,
- staff management tools,
- performance plans, since most harken back to the discomfort and dislike for the former AWP and LOI exercise,
- occupational career handbooks.

We found little or no interest in:

- system controls, and
- projection tools.

The lack of interest for these last two came mostly from employees and not from management.

Our people perform. And usually well. It has even been said that an acceptable level of performance in this Organization equates to strong performance in many large firms and in some components of local and federal government. Adopting our Proposal may not produce a demonstrably big difference in performance levels by our people, however it allows us to recognize and reward the good, the great, and the outstanding performances in new and exciting ways.

There is skepticism out there. Many of our people do not feel an inherent trust in the system nor that its management is really looking out for their interests. They comment that our managers, junior and senior, are often ineffective on the people-side though effective on the production-side. The people-side is the concern here. The statement that production overcomes the professional needs of the worker, has an almost universal ring throughout the Directorate (and probably throughout the Agency).

Our employees gratify themselves in an unusual way. Suffice it to say that government employees do not join government service to become wealthy. Money isn't the motivator; and our Proposal does have money as one of its incentives. It really has to. That frankly has triggered certain adverse reactions within the DA. Accomplishment, and especially accomplishment with excellence, excites, sustains, and gratifies our people. Simply said, it turns them on and they consistently accomplish to the outer limits of their potential.

We complain about excessive tasking and unreasonable workloads but these complaints are not really from the heart. We react in completely predictable ways in our Agency when confronted with the "very difficult" or even "the impossible". We go right at the problem without hesitation! This scenario is played out day after day in each and everyone of our Offices. It has come to be termed the "Agency work ethic". It is incredible and we are justifiably proud of it.

We ask very special kinds of "extras" of our employees. Not only was it a rigorous and onerous ordeal initially to join this Organization but once in, we tend to stay with more regularity than perhaps any major institution or organization in America. Once you are here you are likely to want to stay; and we want to keep it that way.

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Our employees serve in very unusual capacities. We are positioned in some of the most remote, backward, dangerous and unhealthy places around the globe. Our range of expertise and skills ranges from paramilitary to the highly scientific. We have a work force that includes all levels from clericals and laborers to senior professional academicians, scientists, engineers, system analysts, weapons specialists, case officers, administrators, general managers, educators, physicians, project engineers, and many others. [] of this Agency is engaged in the most anomalous mission in the US Government, that of collecting by human sources essential intelligence about the intentions and plans of foreign governments around the world.

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Our compensation and pay Proposal recognizes all this. It is our intent and focus to improve the lot for the hardworking, dedicated and resilient people we describe above. If it does not improve their lot, then it should not be adopted - much less even be designed in the first place.

So what's missing? Some might say nothing. We say sufficient and meaningful recognition is missing. We say we can "care" more by creating programs which deliver benefits and services to improve the private and working lives of our exceptional people and their families.

Over time we have watched the private sector providing new and better things for their work force. Once the forerunner in this arena, the U.S.

Government, formerly the "most appreciative" employer in town, has now sadly slipped to one of the less appreciative. Until this new initiative, no major Agency effort has been proposed to improve the situation. We suggest that now is the time. We now can care for our work force in ways better than before. We are unique and we deserve unique handling. The Task Force Proposal offers some challenging and exciting ways to attack this.

We now wish to make our recommendations.

RECOMMENDATIONS

The foregoing is intended to provide a basis for the following recommendations and how we proceed from here. Our sense of the Directorate is that the majority of its people are receptive to some change. As we stated above, the degree of change and the manner of implementation appear the greatest cause for concern. Our people are concerned that the entire Proposal cannot be implemented without unacceptable disruption in their daily routine. Management and employees alike echo a cautious, go slow phased approach. We do as well.

We earlier addressed the uniqueness of this Agency and its people. It follows therefore that we should have a pay and benefits system to match this uniqueness. The base pay of our people in the present system does not seem to be a factor of real discontent. Rather, there is a general feeling of fairness for the most part. However, the benefits side of the present system leaves much to be desired. Since the benefits and their income tax consequences can affect "take home pay", and improvement will be beneficial to an individual's pay. We therefore recommend that Features 11 (Flexible Benefits) and 12 (Leave Conversion) be included for immediate action in the DA's recommendations regardless of whether the remainder of the Proposal is accepted. This recommendation was echoed throughout every office within the Directorate.

Next, we recommend that Feature 1 (Banding) be implemented but in a "test bed" mode. We recommend selecting only components which are willing to be banded and observe carefully the results including employee reaction. We are

of the belief that the concept of Banding has been negatively received by some offices in the Directorate due to the inclusion of Market Pricing and the perceptions that market-pricing makes unfair and inequitable comparisons of Agency support functions with those of industry and other routine USG agencies. As said earlier, we are different. Thus, we must find a way to assure reliable Market Pricing before undertaking Banding. We also recommend accepting the use of personal services funds to control the structure of the work force and the delegation of classification authority. However, to minimize the impact on management, we recommend these two elements of Feature 1 be retained at the Office Director level where some centralized control can be used. At a later date when Banding has stabilized, the redelegation of these authorities to a level of management below Office Director, if desired, can be considered.

Feature 2, Incentive Pay, is recommended. This feature of the Proposal receives some support and is believed to be generally acceptable to the Directorate population as a whole. However, there are some major concerns with the implementation of Incentive Pay. First and foremost for DA careerists is the concern for fair and equitable treatment when incentive pay decisions are rendered by the host component vice the parent service. This is a two-edge sword. In one respect, there is concern that the "support" employee will receive less equity by the host component than if the employee were rated by the parent career service. On the other hand, the individual may find "a home" i.e. treatment is superb; annual bonuses, etc. Thus, when the time comes to rotate the employee, that individual may prefer to remain with the host component. Thus, we recommend that the parent service have final approval authority on incentive pay for externally-assigned personnel with the host component recommending the incentive award.

Another concern voiced particularly by various managers within the DA offices is determining at what level the decision on incentive pay will be made. There is considerable concern that the first line supervisors should not have the final say although he/she should have significant recommendation input. However, there is an anomaly here in that preparation of the PAR by the supervisor will directly affect the incentive pay decision under the current Proposal. This revision will leave the final decision to some level above the supervisor offering somewhat of a minor "appeals process" and an objective assessment of the incentive pay recommendation as a result of the PAR rating. If career panels are chosen as the level of decision, it is our recommendation that this be a temporary situation with a view toward bringing the decision back down "near the action" in the next 2-3 years at the outside. Thus, we caveat our recommendation on Incentive Pay to include parent office vice host component approval and that the final decision be made above the first line supervisor level.

Feature 9, Dual Track, is also included in our recommendation. Dual Track was included by five of the nine offices as among the Proposal's best features. There has long been a concern in almost every corner of the Agency that to "get to the top" an individual has to become a manager. Under the Dual Track Feature this concept is abolished. The "expert" will be able to rise to the top of the pay ladder and still remain within his/her field of expertise. An added benefit to the Agency is that we won't force into management someone who neither wants to manage nor cannot manage. Thus, acceptance of Dual Track bodes favorably for retention of an employee who is happy, well paid, and doing the real job for which he/she was hired.

Another benefit, Feature 13, Educational Assistance for Dependents is included in the Task Force Proposal. However, as presented this feature lacks application to all Agency employees because of its very nature. We recommend a modified version of this Feature as proposed by the Office of Logistics as Appendix III of their submission be substituted and included in the DA recommendations. This substituted version has Agency-wide application and involves credits for either Dependent Education or other non-dependent related benefits earned based on years of Agency service. It espouses the "Agency family" concept.

In summary, we believe the heart of the DA recommendations should include Features 1 (Banding), 2 (Incentive Pay), 9 (Dual Track), 11 (Flexible Benefits), 12 (Leave Conversion), and 13 (Educational Assistance - O/L version). These will offer, we believe, the most to our people in the design of any unique pay and benefits package.

It suffices to say that the remaining Features proposed by the Task Force cannot be disregarded. Criteria for career advancement are directly relatable to Features 3 through 8 while Management's ability to monitor and control this "new" system involves Features 15 and 16. Making these latter statements is not a "cop out" but rather testimony that the total Task Force Package was designed with thoughtful and careful consideration.

Prepared and submitted on 18 September 1987 by:

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Task Force Member, Primary

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Task Force Member, Alternate